

Docket No. 2008-0274
Commission Questions to the Companies
July 1, 2009

1. Under the present no-decoupling scenario, the company says it relies on growth in sales (both kWh and kW) to produce revenues to abate the cost increases it experiences between rate cases. Under the company's decoupling proposal, it foregoes growth in revenues between rate cases.

(a) With reference to line items in the spreadsheet provided in response to PUC-IR-14, please specify and explain all the reasons why the company expects to forego growth in revenues under its sales decoupling proposal in the absence of a RAM. Specifically how does foregone revenue growth relate to test year sales, forecasted sales or other factors?

The company has stated that it needs the RAM to obtain revenues equal to expected cost increases between rate cases, since it will be foregoing the revenue growth that it normally relies on to abate those expense increases. The utility has stated that line 31 of the same spreadsheet displays the projected RAM revenues.

(b) For each utility, and for each year, please indicate the ratio reflecting the relationship between (i) the RAM's dollar contribution to the utility's revenues, and (ii) the projected revenue growth foregone due to sales decoupling.

(c) For each utility and each historical year on your spreadsheet response to PUC-IR-14, please quantify the revenues that the utility would have foregone to sales decoupling if sales decoupling had been in place. Please provide a complete description of how the utility calculated these figures.

2. For the table on pp.8-9 of the revised response to PUC-IR-14: Create a table for the public record that (a) contains the 2010-2013 average of the returns on equity there stated and (b) specifies for each scenario the dates assumed for the rate cases. If this information cannot go into the public record, then after calculating the averages privately, create a public table displaying the differences in ROE between each scenario (along with the dates assumed for rate cases under each scenario). Provide also the company's currently proposed ROE as a baseline.